

“BEST” (BUSINESS AND ECONOMIC STIMULUS TAX) FACT SHEET

The Business and Economic Stimulus Tax (BEST) plan is fair and broad-based, offering incentives for businesses to expand in Michigan.

The BEST plan includes these features:

- **Stimulus for Economic Growth**

BEST creates a fair, equitable tax structure, allowing companies to expand, encouraging new economic development and providing a strong incentive for businesses to come back home to Michigan. The plan gives a much-needed boost to Michigan’s lagging economy.

- **Calling Businesses & Jobs Back Home** It’s time to call Michigan businesses and jobs back home. The BEST plan addresses the greatest barrier to job development by exempting personal property tax for manufacturing.

- **Broad-Based/Low Rate**

The BEST plan involves a reasonable business income tax and a mix of gross receipts tax— firms with gross receipts between \$100,000 and \$350,000 will pay a \$100 fee and firms under \$100,000 will pay nothing.

- **Tax Relief for Job Providers**

The BEST proposal *cuts* the taxes of job providers by \$290 million. It replaces \$1.51 billion of the \$1.8 billion generated by the SBT.

- **Protects Michigan Businesses** BEST provides a cap on future revenue growth and spending to ensure that government lives within its means.

- **The BEST of All Plans**

The Business and Economic Stimulus Tax proposal integrates the best elements of plans put forth by key business groups, job providers and the academic community. It creates consensus and offers a substantial and competitive improvement from the current state of business taxation in Michigan.

- **Personal Property Tax Relief**

New industrial personal property will not be taxed. BEST provides a 10 percent Personal Property Tax credit for property acquired within the previous five years.

- **Significant Exemption for Small Businesses**

BEST includes a “Michigan Entrepreneurial Exemption,” or M-E 2, that helps small businesses.

Firms under \$25 million in gross receipts *will pay no taxes for up to three years* if the firm or business meets certain job growth and investment criteria. This exemption encourages small-business growth.

- **Provides Choice for All Businesses**

This proposal requires *all* Michigan businesses to participate, while giving them a choice. It allows them to structure their tax liability so it provides necessary revenue for the state while maximizing competitiveness.

Prepared by Senate Majority Communications Office